

**City of St. Louis, Missouri**  
**Notes to Basic Financial Statements**  
**June 30, 2017**  
**(dollars in thousands)**

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**28. TAX ABATEMENTS**

The City implemented GASB 77, *Tax Abatement Disclosures* for the year ended June 30, 2017. The following table represents the abated revenues at June 30, 2017:

**City of St. Louis, Missouri**  
**Notes to Basic Financial Statements**  
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(dollars in thousands)

<b>Name of Program</b>	<b>Chapter 353 - Residential</b>	<b>Chapter 353 - Residential PILOT</b>	<b>Chapter 99 - Residential - Land Clearance for Redevelopment Authority</b>
<b>Purpose of Program</b>	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
<b>Abated tax</b>	Real Property Tax	Real Property Tax	Real Property Tax
<b>Authorizing Statute/Ordinance</b>	Sections 353.010 - 353.190 RSMo	Sections 353.010 - 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 - 353.190 RSMo; City Ordinance 45977 approved 2/18/52
<b>Eligibility requirement</b>	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.
<b>How tax is reduced</b>	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.
<b>Determination of abated amount</b>	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance and redevelopment agreement (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).
<b>Recapture provisions</b>	By agreement, if any	By agreement, if any	By agreement, if any
<b>Other types of commitments by City</b>	None	None	None
<b>Gross dollar of reduced tax revenues - total</b>	\$ 2,973	\$ 803	\$ 5,054
<b>Gross dollar of reduced tax revenues - City's portion</b>	\$ 576	\$ 156	\$ 979

\* Dollar amounts for calendar year 2016

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<b>Name of Program</b>	<b>Enhanced Enterprise Zone Tax Incentives</b>	<b>Chapter 353 - Commercial</b>	<b>Chapter 100 - Planned Industrial Expansion Authority (PIE)</b>
<b>Purpose of Program</b>	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
<b>Abated tax</b>	Real Property Tax	Real Property Tax	Real Property Tax
<b>Authorizing Statute/Ordinance</b>	Sections 135.950 to 135.973, RSMo; City Ordinance 67350 approved 12/11/06	Sections 353.010 - 353.190 RSMo	Sections 353.010 - 353.190 RSMo; City Ordinance 54788 approved 12/11/67
<b>Eligibility requirement</b>	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abatement. EEZB enters redevelopment agreement with redeveloper.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Planned Industrial Expansion Authority (PIEA) under Sections 100.300 to 100.620 RSMo. Determination by governing body that area is blighted. PIEA adopts development plan. Municipality must hold public hearing and adopt ordinance approving development plan. PIEA may enter development agreement with developer. Effectuated through either title transfer.
<b>How tax is reduced</b>	City authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Assessments are abated through the procedures set forth in Chapter 353 RSMo.
<b>Determination of abated amount</b>	By statute, resolution and redevelopment agreement with EEZB	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance, and redevelopment agreement with PIEA (if any)
<b>Recapture provisions</b>	By agreement, if any	By agreement, if any	By agreement, if any
<b>Other types of commitments by City</b>	None	None	None
<b>Gross dollar of reduced tax revenues - total</b>	\$ 2,331	\$ 6,438	\$ 201
<b>Gross dollar of reduced tax revenues - City's portion</b>	\$ 411	\$ 1,137	\$ 35

\* Dollar amounts for calendar year 2016

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<b>Name of Program</b>	<b>Chapter 353 - Commercial PILOT</b>	<b>Chapter 99 - Commercial - Land Clearance for Redevelopment Authority</b>	<b>Chapter 100 - Industrial Revenue Bonds/Merchants &amp; Manufacturer's Tax Credit</b>
<b>Purpose of Program</b>	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Real and/or personal property tax abatement or exemption from sales and use tax of qualified purchases of construction materials and/or personal property to provide economic development benefits to municipality.
<b>Abated tax</b>	Real Property Tax	Real Property Tax	Personal and/or Real Property Tax; Sales and Use Tax
<b>Authorizing Statute/Ordinance</b>	Sections 353.010 - 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 - 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.
<b>Eligibility requirement</b>	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).
<b>How tax is reduced</b>	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.
<b>Determination of abated amount</b>	By statute, ordinance and redevelopment agreement (if any)	By statute, ordinance and redevelopment agreement with LCRA (if any)	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.
<b>Recapture provisions</b>	By agreement, if any	By agreement, if any	By agreement, if any
<b>Other types of commitments by City</b>	None	None	None
<b>Gross dollar of reduced tax revenues - total</b>	\$ 695	\$ 10,152	\$ 995
<b>Gross dollar of reduced tax revenues - City's portion</b>	\$ 123	\$ 1,792	\$ 41

\* Dollar amounts for calendar year 2016